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TITAN Profile

Over 5,400 committed individuals with an international presence

TITAN Group owns cement plants in nine countries and is organized into four geographic regions: the U.S.A., Greece and Western Europe, Southeastern Europe, and the Eastern Mediterranean. From this base, we sell products to 36 different countries.

Regional overview



EBITDA by region €m

Performance by geographic region 2013





¹ Employee figures are as at 31 December 2013. Total number of employees includes joint ventures.

Principle products key:	Map key:
Cement	Separation
💿 Ready-mix	Technologies
Aggregates	 Distribution terminals
Dry mortars	
Building blocks	
Fly ash	
Know-how on separation of fly ash	





TITAN

Usje Profile

Cementarnica USJE AD Skopje (or USJE) was founded in 1955 near the USJE village in the southeast part of the city of Skopje. In 1998, USJE was acquired by the TITAN Group. The company employs 331 direct employees and over 190 indirect employees.

Our Group's Governing Objective is to grow as a multi-regional, vertically integrated cement producer, combining an entrepreneurial spirit and operational excellence with respect for people, society and the environment.

Our Code of Conduct is based on our Core Values:

INTEGRITY

KNOW-HOW

DELIVERING RESULTS

VALUE TO THE CUSTOMER

CONTINUOUS IMPROVEMENT

CORPORATE SOCIAL RESPONSIBILITY

Our Strategy

COMPETITIVNES

CONTINUOUS IMPROVEMENT

FOCUS ON HUMAN CAPITAL AND CSR OCUS ON HUMAN CAPITAL ANU CO DO MORE GOOD - DO LESS HARM

GEOGRAPHICAL DIVERSIFICATION

VERTICAL INTEGRATION

Our CORE Operating Principles

on Rights We are committed to protecting and advancing human rights as defined in the Universal Declaration of Human Rights (UNDHR) and the International Labor Organization's conventions on labor.

Sustoin Sustoin Sustoin Sustoin We are committed to creating value and sus-tainable growth, integrating human, environmental and social elements into our business decisions. We aim to minimize the adverse impact of our activities on the environment and the communities in which we operate, and contribute to the well being of the employees, their families, neighboring communities and society at large.

Fair Competition We are committed to ensuring that TITAN Group acti-vities are carried out within a frame-work of fair competition and in strict compliance with all applicable laws and regulations in the various countries where we operate.

o notionce While our Corporate Values form the foundation upon which we conduct business worldwide, compliance with the applicable laws and regulations in every country where we operate is a core principle that must be followed by all employees and business associates of TITAN Group.

Health and Safeguarding the health and safety of our direct and indirect employees in all our workplaces is our highest Group priority. The Group therefore complies, at a minimum, with all applicable legislation. Our employees and contractors are required to respect and comply with the health and safety policies and standards laid down by the Group as reflected in local safety policy manuals.

safety

The Environment Mitigating and reducing the environmental foot-print deriving from our operations and business activities constitutes one of the main commit-ments of TITAN Group.

ond contruption Group transactions must be carried out lawfully and ethically, in accordance with all applicable laws and regulations and must always respect the United Nations Convention against Corruption (UNCAC). Employees or representatives of TITAN must not offer, provide, accept, or promise, either directly or indirectly, any undue financial or other advantage to a public and/or private official for the purpose of obtaining any favorable treatment or business advantage.

Relations with the We are committed to ensuring engagement, cooperation and good neighbor relations with local communities in all areas where Group facilities operate... It focuses mainly on the contribution of know-how, experience, technical and financial support for initiatives and actions that advance education and training. Protecting the environment and promoting health and safety are at the forefront of our commitment to meeting business objectives and achieving long-term sustainability.

Bribery

our relation mers and a foundation mers and suppliers must rest on foundations of trust, reciprocal respect, fairness and honesty, thereby ensuring long-term cooperation. We are committed to providing products and services of the highest quality by employing all resources of technology, research and contemporary methods of operation Relations and in full compliance with applicable laws relating to health and safety and other product requirements. Our suppliers are expected to be quality-driven, innovative and efficient and to operate in accordance with the applicable laws and regulations.

with

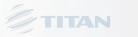
Relations, **Employee** relations within the Group are based on mutual trust, understanding, honesty and open communication... We are committed to having a respectful and inclusive work environment wherein different ideas, perspectives, and beliefs are respected.

Construnication We are committed to open, transparent, impartial and timely communication with our employees, shareholders and other stakeholders, with a view toward building long-term relations based on mutual trust. We seek to listen to and engage with our stakeholders.

S

ociety

(For more information on Code of Conduct, please visit http://www.usje.com.mk/Defaultebf1.html?mid=112&Lan=EN)



Message from the Chief Executive Director



Dear partners, dear friends,

You have in front of you the new Report on corporate social responsibility and sustainable development of Cementarnica USJE AD Skopje. As a socially responsible and transparent company, we continue our commitments for open and partner relationship with all our partners who are directly or indirectly related to our operations and activities in the community.

We at USJE are committed to implementing our planned activities and achieving our company goals. They are certainly of paramount importance to the success of our operations, but also it is important to share them with you, because our activities are important not only for USJE, but also for our partners and the broader community.

Starting from the basic motto that the success of a company is impossible if considered separately, we are fully aware that our success is only possible as a parallel process to the success of the broader community. Neither strategy of a company or institution is complete, if it does not take into account the effects of actions taken on the broader community.

To our great pleasure, the retrospective to implemented activities provides

clear confirmation of the successfully implemented plans which, in addition to creating additional conditions for the development of USJE, create benefits for all stakeholders. For us, this is the greatest confirmation that we have met the objectives. Our aim to achieve successful business results involves responsibility that is characteristic of all successful companies, and it is the responsibility of making the community a better place for all through our activities.

In this regard, I would like to highlight our big investment in implementing the A -Integrated Environmental Permit, With these investments, USJE became one of the first companies to acquire this important environmental certificate, which guarantees operations in line with the environment according to strict European regulations. Last year, we commissioned the new Treatment plant for storm water, the first of its kind in Macedonia. With this investment, even though Cementarnica USJE does not use water in its technological process, we make continuous efforts to conserve water as a natural resource. Once again we proved the open approach of USJE and the support to the education and

development with the start of the project for practical training of students from technical high schools of the mechanical and electrical profession in Skopje. With this project too, the same as with all others that are implemented in many areas, we clearly reaffirm our sincere intention to encourage development actively and directly.

The awards for socially responsible practices that we received only confirm our efforts and the specific contribution in this field, but also provide an additional incentive.

The safety and health of our employees and our partners remain our priority. People remain our most important resource and they deserve the credit for all our achievements. Hence, safety at work and regular health checks and the care for their families continues in the coming period, including many novelties.

We already continuously strive to achieve zero injuries at the workplace by providing safe conditions and means for safe operation, as well as continuous training programs for our employees and contractors.

We should keep in mind that the projects we implement in cooperation with the local community continue and the emphasis will again be on the youngest and on safe growth and development. In this line is the implementation of infrastructure and horticultural projects that will enable young people to grow in a more beautiful environment, having more opportunities.

USJE is the leader in the market for building materials. We have high-quality product and a great team that is dedicated to new successes. We continue in the future with even greater enthusiasm and commitment to the implementation of all our goals. We sincerely hope that our partnership will continue in the future in order to create new values for all.

Boris Hrisafov

Chief Executive Director



More than 170 direct visits to our customers by more than 30 USJE employees, management team and other key employees to identify customers' needs and concerns



Zero fatalities and zero serious accidents

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▶ 84% decrease in the LTIFR (LTI Frequency Ratio) since 2005

Engaging with our Stakeholders

Our employees, contractors, suppliers & customers

- > 100% of our contractors' employees were trained on Health & Safety
- through our new Contractor Management process
- \triangleright USJE provides work and revenue of more than 35 million euro per year to the local companies
- > More than 6.600 training hours provided for all employees i.e. over 20 training hours per employee
 - Care about wellbeing of our employees:
 - Preventive health examinations \geq
 - Extended blood tests
 - Spa treatments

Environmental Protection

- Decrease of 4% in the specific gross CO₂ emissions per ton of cementitious product, compared to previous year
- Reduction of dust and SOx emissions beyond the 2015 targets (30 mg/Nm³ and 400 mg/Nm³ respectively)
- Inauguration of the first Water Treatment Plant for atmospheric and street cleaning water in the country

More than 26.000 trees, saddles & flowers planted in 2013 in our Quarries and local community координативно тело за ОПШТЕСТВЕНА ОДГОВОРНОСТ НА ПРЕТПРИЈАТИЈА

CSR Recognition

USJE in 2013 receives the National Award for the best socially responsible practices for 2012 in the category Market Relations as well as Recognition in the category Environment.



Community Development

- Partnering with Schools Project
- Playgrounds in the Municipality
- ➢ 5.000 roses for the City
- University & MBA scholarships
- Support of children with special needs

➢ USJE management and employees volunteered in the actions Macedonia Without Waste and Food for the street children



- 1963 USJE provides materials for reconstruction of Skopje after the earthquake
- 1967 First Electrostatic precipitators are installed in Ex-Yugoslavia by Cementarnica USJE
- 2000/2001 Bag-filter is installed on line no.3 and clinker cooler is reconstructed
- 2002/2003 Bag-filter is installed at Kiln No.4
- 2004 Installed system for independent 24-hour continuous measurement of emissions
- 2004 Certified with Quality System ISO 9001:2000
- 2006 Certified with Environmental Management System ISO 14001:2004
- 2008 USJE becomes a member of the Global Compact Network Macedonia
- 2009 For the first time in the region and in TITAN Group USJE starts with continuous public announcing of the environmental measurement data
- 2009 USJE establishes CSR Committee
- 2010 Contractors Management H&S System established
- 2010 USJE publishes its First CSR



Our Footprint

- 1.24 million tons of raw materials extracted from 3 active quarries
- Almost 1 million m² is the total area of active quarries, out of which 585.000 m² only are affected by operations
- 14.500 m² of active quarries have been rehabilitated in 2013 by planting local trees and bushes

- About 176.000 trees planted by USJE or donated to third parties for planting since 1998, while over 26.000 trees were planted in 2013 only
- More than € 1,000,000 spent for environmental investments in 2013

Total annual emissions: Dust particulates 18.31 tons	2010	and Sustainable Development Report USJE receives National Award for best CSR practices in the category Employees Relation and Recognition by the Municipality of Kisela Voda
► NOx 1.578 tons ► SOx 72.6 tons	2010	USJE organizes 1st Stakehol- ders Engagement Forum
	2011	Certified with Health & Safety Management System OHSAS 18001-2007
For new investment in fixed ass		556 days without workplace injury
More than € 72 million since 19 More than € 77.000 spent for	2011	USJE obtains A Integrated Environmental Permit A-IPPC
 331 attendees of training 	d in	USJE receives National Award for best CSR practices in the category Environment and three plaques in the categories Community Investment, Employee Relations and Ethical Governance
programs including all own employees with 20.1 hours per attendee in 2013	2011	First Company Open Day organized
	2012	Stakeholders Communication Day was organized on com- municating our CSR & Sustainability Report of 2011 to all our stakeholders
	2012	The first Communication Day for USJE employees was organized

CSR Strategy & Corporate Governance

We are committed to creating value and sustainable growth, integrating human, environmental and social elements into our business decisions. We aim to minimize the adverse impact of our activities on the environment and the communities in which we operate, and contribute to the well being of the employees, their families, neighboring communities and society at large. Thus, our CSR Vision is: "**To pursue at all times our business goals and create value, in an ethical and socially responsible manner, minimizing our footprint, and endeavoring to do more good.**"

The Company follows established global best practices of corporate governance in its management and has five non-executive members in its Board of Directors, two of which are also independent.

Anti-corruption Commitment

One of our Group's Code of Conduct core principles is **Bribery and Corruption**, stipulating that all Group transactions must be carried out lawfully and ethically, in accordance with all applicable laws and regulations and must always respect the United Nations Convention against Corruption (UNCAC)*. Employees or representatives of TITAN must not offer, provide, accept, or promise, either directly or indirectly, any undue financial or other advantage to a public and/or private official for the purpose of obtaining any favorable treatment or business advantage.

An employee or business associate who commits bribery while on duty may be subject to civil and criminal liability, in accordance with applicable laws as well as to termination of her/his employment.

Another issue governed by the Code of Conduct is the issue of *Gifts and Donations*, which sets forth that all employees are prohibited from offering, soliciting or accepting gifts, donations in cash or any other form and any benefit related to the performance of our duties.

* UN Resolution 58/4 of 31 October 2003 United Nations Convention against Corruption.

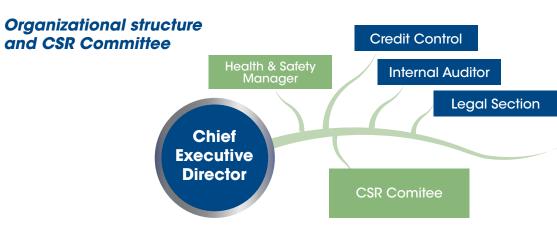
CSR - a shared responsibility

Corporate social responsibility is a shared responsibility for the TITAN Group, both top-down and bottom-up. USJE's CSR Committee is established in 2009 and is responsible for integrating and implementing TITAN Group strategy at the local level. Chaired by the CED and consisting of senior management and experts in health and safety, the environment and human resources management, the CSR Committee meets four times each year, and in some cases monthly, to review and assess action plans and performance achieved, as well as to facilitate and initiate further improvements at both local and regional levels.

To ensure further cohesion within the Group, USJE's CSR Committee has appointed one of its members as a representative to the Group CSR Liaison Delegates Network (LDN) aiming at improving internal communication, sharing and learning from Group's best practice.

We are committed to and we follow the Titan Group and our:

- CSR Strategy
- Group Code of Conduct
- Group CSR Policy



*Managers of green-coloured departments as well as HR Manager and CSR Officer are members of CSR Committee

Governance for Sustainability

The TITAN Group has been guided by certain values throughout its history. Operationalizing these corporate values - practically putting them into practice - is a task in which all USJE employees can make a difference. Our commitment to applying the highest standards of corporate governance has been additionally underlined by the decision of the USJE to comply above and beyond the provisions of LOCAL LEGISLATIONS AND INTERNATIONAL CONVENTIONS.

Corporate social responsibility and sustainable development have been embedded step-by-step in the governance and management of USJE operations. Meeting business objectives, both in the short and longterm, is regarded as a shared responsibility among all TITAN and USJE management teams.

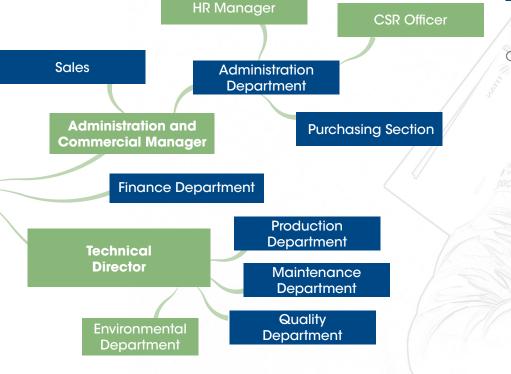
CSR & Corporate Governance Milestones

- 2008 USJE joined UN Global Compact
- 2008 & 2006 H&S Policy and Environmental Policy adopted
- 2009 USJE was one of the leader members in TITAN Group being the first company to establish CSR Committee consisted of the top management as well as the managers of the key CSR related departments.
- 2009 onwards USJE regularly issues its CSR & Sustainability Report & GRI disclosures
- 2010 CSR Policy & CSR Vision adopted

Pledges and commitments

Pledges and commitments undertaken by the Titan Group and USJE Company in line with our values, Code of Conduct and priorities:

- Global Compact (UN Declaration of Human Rights, ILO Conventions)
- WBCSD/CSI (sectoral initiative)
- GRI (Reporting Guidelines)
- ISO 14001, ISO 9000, OHSAS 18001, (norms and equivalent local standards)
- EU strategy 2011-14 for Corporate Social Responsibility (Oct. 2011)
- U.N. Guiding Principles on Business and Human Rights
- U.N. "Protect, Respect and Remedy" Framework



CSR PERFORMANCE

Measuring performance against set targets and objectives is a significant factor for self-improvement. This is a long-term, on-going and challenging process which initiates change at all levels. Just as we measure and manage our financial performance, similar efforts are made to measure and track our social performance. Challenges clearly arise in this area, however, as qualitative issues can be more complex to measure than those that are purely quantitative.

The number of jobs created or donations given to a community, for example, fails to adequately capture the complex synergies that are created through collaborative initiatives in which financial and material resources are coupled with human resources. While we recognize this challenge, we make consistent efforts to share best practices with other businesses and industries in order to more fully capture the impacts of our operations on society. the Company's management and employees have been personally engaged in further increasing safety awareness throughout its operations.

Our Occupational Health & Safety policy clearly defines the role of everyone involved in reaching and continuously improving a strong culture of accident prevention in all our operations. We are aligned with the world statistics that the root cause of more than 95% of incidents has to do with the human factor, and thus we are concentrating our efforts on safety awareness of our people. For that effort, our indirect employees are treated the same way with our direct ones.

We are focused and benchmarking ourselves on continuously improving the leading rather than the lagging H&S key Performance Indicators. Reporting and thoroughly investigating all accidents and near misses, training our own employees as well as contractors' employees, establishing safety committees on site but also on higher levels and recognizing and awarding good safety performance have been among the numerous actions we have undertaken and are in a non-ending implementation process.

HEALTH & SAFETY



Our objective is to achieve our vision of a healthy work environment free of incidents, injuries and accidents

In addition, risk assessment has been a power tool in the hands of our people, proactively working towards further developing a safety culture.



USJE has always been committed to health and safety in the workplace, a commitment that is clearly expressed through the Group's and our corporate values. Within the context of pursuing the philosophy of 'zero harm to people'



Finally, performance on safety has become a key career management criterion for the development of our people, placing health & safety as a top business priority.

Target 2011	Results 2013	Target 2015
Complete the process of OHSAS 18001:2007 certification	Successful external surveillance audit on OHSAS 18001:2007 system; Valid certificate until 2017	Continuous improvement; Regularly audit and re-certify
Zero fatalities and zero serious accidents	Zero fatalities and zero serious accidents	Maintain Zero fatalities and zero serious accidents
Continuous decrease in the Lost Time Injury (LTI), LTI Frequency Rate and LTI Severity Rate	LTI and LTI Severity Rate have decreased compared to 2012 because of one injury which happened during the year compared to the 2 in 2012	Achieve and sustain zero LTI, LTIFR and LTISR
Implement the new Contractor Safety Management process	Full implementation of the Contractor Safety Management. Implementation of Driving Safety by mid of 2014	Achieve full compliance with the CSI guidelines on Contractor Safety Management and Driving Safety



Central Committee for Health and Safety

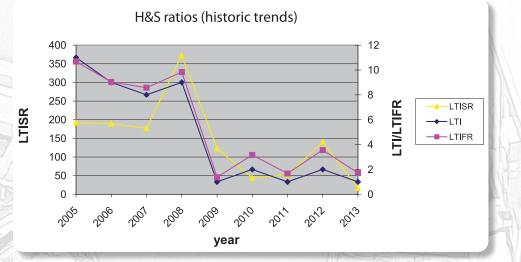
Commitment to H&S is obligation of each employee, from the CED to the blue-collar workers. Aiming to continuous improvement in our performance, we have established a system, the so-called Central Committee for Health & Safety, engaging 23 employees responsible for its continuous monitoring and development. The Central Committee is structured in 5 subcommittees: Safety Incidents, Safety Audits, Contractor Management, Leading Indicators and Rules and Procedures. Each subcommittee has specific tasks and responsibilities. The common and final goal is to safeguard the H&S of our and contractor's employees as one of the basic human rights at the workplace. In 2013, total of six meetings of the H&S Central Committee were held.

Cement Sustainability Initiative

USJE has committed to apply even higher standards in H&S than required by local laws and common practice. As a member of Titan Group, since 2012 we are dedicated to meet the requirements of the "Cement Sustainability Initiative" (CSI) which is a global effort by 24 leading cement producers with operations in more than 100 countries worldwide (approx. 30% of the world's cement production). The CSI is an initiative of the World Business Council for Sustainable Development. In addition to regular health and safety requirements, there are two separate projects initiated by CSI: Contractor Management and Driving Safety. Comprehensive monthly online reporting in the CSI database aims to identify the weak points and apply corrective measures on a world level.

Health & Safety Ratios

Health and Safety Performance is continuously monitored, measured, developed, improved and branched out.



*LTI – A Lost Time Injury (LTI) is defined as a work-related injury causing the absence of one or more working days (or shifts), counting from the day after the injury, before the person returns to normal or restricted work. Excluded are injuries in transport to and from work, injuries due to criminal act and injuries due to natural causes.

**LTIFR - Number of LTIs in a year per 1,000,000 hours worked i.e. LTI Frequency Rate = (Number of Lost Time Injuries in a year x 1,000,000)/Total actual hours worked and paid to employees in the year.

***LTISR - Number of lost calendar days due to LTIs in a year per 1,000,000 hours worked i.e. LTI Severity Rate = Number of Lost Calendar Days in a year x 1,000,000)/Total Actual Hours worked and paid to employees in the year

The gap analysis of the current H&S system as well as the continuous improvement principle in development of H&S techniques and culture resulted in two very important projects developed during 2013.

One of our mid-term goals is to further develop safety culture and sense of ownership in the medium and lower level of employees. The top management of USJE spent a lot of efforts to create a new "Safety Audits System" that will engage more the medium-level employees, raise their ownership awareness, and by utilizing synergy of involved stakeholders from different departments to achieve the set targets. More than 55 employees are directly involved in this process with different roles: auditors, owners, coordinators. Extensive trainings were finished in late 2013, while implementation starts in January 2014. Cement industry is an industry that employs heavy machinery and the interventions on machines may bring high risks. The current controls and safety instructions yield satisfactory results, but still there is a human factor involved which gives room for improvement. To further decrease this gap, a new system is developed where each employee will be able to physically lock the machine with his personal padlock before starting the job. This procedure is world-widely known as LOTO (Lock-Out Tag-Out) and USJE is the first company in the country that will implement it. During the second half of 2013 extensive preparatory activities were finalized, including identification of sources of energy per machine and activity, selection of equipment, etc. The process of procurement of equipment, trainings and onsite implementation will take place in 2014.

TITA

OUR PEOPLE



Throughoutitslonghistory, TITAN has been a people driven organization, recognizing that sustainable growth relies on the caliber, behaviour and collaboration of our people, who are at the core of our Governing Objective and our Strategy. This has shaped our vision to "Ensure an engaged workforce, emotionally and mentally".

The TITAN People Management Policy serves as the pathway towards the accomplishment of our vision and is based on the fundamental pillar of TITAN Values: Integrity - Know-How - Value to the Customer - Delivering Results - Continuous Improvement - Corporate Social Responsibility. These values describe how we behave and, along with the principles set forth in our Code of Conduct, constitute the basis for all our business relationships and practices in every geographical area that we operate, creating a distinct TITAN identity that also respects local cultural elements.

The TITAN People Management Policy sets the framework for addressing people-related areas throughout TITAN Group and it applies to direct employees and business associates, where, to the best of our abilities, we shall use our influence to promote the principles of this framework.

In all our employment selection decisions, the principle of equal opportunity is applied, while, due consideration is also given to the local employment needs. We respect human rights, promoting them within the area of our influence and ensuring a law compliant and safe working environment.

We build trust by "living" our values and by practicing behaviours which ensure mutual respect, collaboration and an open flow of twoway communication. Communication day for employees is organized enabling direct communication with management as well as timely information-sharing on all issues related to employment conditions and future perspectives of our business and industry.

Engaged

Workforce

(emotionally & mentally)

Employment

Employment at TITAN is characterized by long-term relations with employees.

In 2013 the number of direct employees was 331 while the number of indirect employees was 194 in average. The indirect employees provide valuable services as support to our core business: quarrying, transportation of goods, maintenance and technical support, cleaning and catering.

Human Rights & Equal Opportunities

TITAN supports the Universal Declaration of Human Rights and is committed to the protection of fundamental human rights within its sphere of influence as proclaimed by the U.N. Global Compact.

Respect for human rights is reflected and incorporated in our People Management Policy, applying equally to direct and indirect employees, where:

Full Compliance with Applicable Employment Legislation is ensured

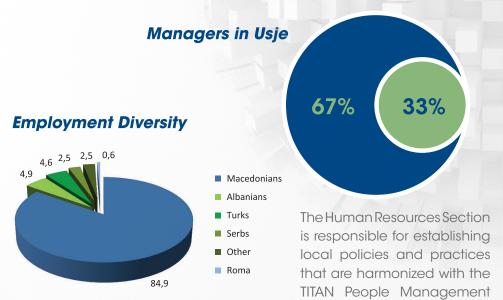
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• Diversity, Equality and Non-Discrimination principles are applied and followed

- Forced, Compulsory and Child Labour are prohibited
- Harassment is not tolerated
- Employees' Health & Safety is a top priority
- The Right of Freedom of Association is respected
- Employees are prepared to address current and future challenges

Equal opportunities for all are also safeguarded by Human Resources Policies at both Group as well as company's local level. Accordingly:

- The Company's management team is comprised of local managers to a level of 86%;
- Participation of women in managerial positions is 33%;
- About 18% of all employees are female;
- More than 15% of all employees belong to the ethnic minorities;



Policy, as well as for providing professional support in handling people related issues. At the same time, the Management Team is responsible for ensuring that the principles are followed.

Raising Concerns

We encourage an open door policy for communication with supervisors and the implementation of grievance mechanisms in all Business Units that allow employees to raise concerns of non-compliance with TITAN Values and TITAN People Management Policy in good faith. All concerns, which may also be raised anonymously, are dealt with by authorized company representatives in accordance with procedures which ensure confidentiality and non-disclosure of the name of the person who raises such concern unless otherwise required by the law.

Within this context, we do not tolerate any retaliation against any employee reporting such concerns.

Consequence Management

Identified non-compliance with the TITAN People Management Policy is handled by detecting the root cause and implementing appropriate disciplinary sanctions. Where an action is also in breach of the law, it may be subject to civil or criminal prosecution.

* Human rights as defined by UNDHR and ILO's Conventions on Labour.

Human Resources Development

The continuous development of human resources is a priority for USJE aiming at life-long learning and enhancement of professional skills and competencies that are necessary to anticipate present and future challenges.

In 2013, we have provided about 6.600 training hours for all employees or about 6.800 hours for employees and contractors. Training hours provided per person is more than 20 hours.

Development activities in environmental area were directed towards sustainable development including in-house training sessions for groups of employees on topics such as waste management and alternative fuels. Also, this year USJE branched out its development endeavors towards contractors by organizing and delivering training on waste selection and management for contractors employees.



Moreover, programs like the "Step Change" (Self Training E-learning Program) have been implemented for USJE employees, which is a flexible and up-to-date one year program adjusted to the fast-moving and technologically advanced contemporary working environment. The e-learning content has been developed by Harvard Business Publishing to enhance leadership and management skills of our key employees.

One cycle of Wednesday lectures in November 2013 was dedicated to the Group and USJE <u>Code of Conduct</u>, presented by USJE's HR Manager attended by more than 260 employees. The training was aimed to disseminate the values and the provisions of our Code of Conduct and make it closer to all our people that live and share our values.

Aiming to introduce all employees on their rights upon the <u>Law against</u> <u>harassment on the workplace</u>, the HR Manager developed and facilitated training through Wednesday training cycle attended by more than 260 employees.





Employee benefits, compensation and welfare programs

The employee benefits and social welfare are covered by USJE, according to the Labour Law and Collective agreement as a minimum. In addition, the Company is committed to the wellbeing of our employees and their families thus our additional benefits respond to their needs.

Extra Medical Checkups & Rehabilitation

The health of our employees is one of the Company's priorities. We consider the legal requirements in this area as bare minimum and we make efforts to extend the health prevention and protection benefits for all employees. The regular annual medical check-ups are extended with cardio exams for all USJE employees at the age of 50 and over, including physical test, BMI, EKG, ultrasound, cardiac stress test, laboratory analyses and defining the cardiovascular risk and predictors of heart diseases.

A few years in a row, further to the gynaecological and breast exams, additional osteoporosis check-up was introduced for all female employees. This year the exams for all female employees were extended with abdominal and other ultrasound screening.

Rehabilitation is supported by the Company by covering 70% of the total price value.

In total, about 33.000 Euro were invested in additional health prevention measures for our employees.

TAN

Jubilee service awards

Every year Cementarnica USJE AD Skopje traditionally awards its employees with 10, 20, 30, 35 and 40 years of service with jubilee awards. USJE significantly appreciates and is proud of its employees, their accomplishments and their contribution to the Company's strategic goals and long term sustainability. In 2013, 58 employees were awarded with jubilee awards at an organized celebration ceremony.

Scholarship Program & School packs for the children of our employees

In the effort to create more opportunities for the employees' families, the Company every year since 2003 implements the Scholarship program for the children of our employees. With this program, the Company grants scholarships for all children of our employees who are successful students at universities, in the course of their graduate or master studies. Scholarships are granted to the children of our deceased employees as well.

Acknowledging the financial challenges that every family with children faces at the beginning of every school year, USJE decided to provide additional support to our employees. Since 2010, USJE provides school packs for the children of all our employees. The school packs include back packs, notebooks to all primary and high school children. In addition, every year the Company organizes New Year celebration for the youngest children of the employees to celebrate the holidays. The children receive gifts including books and encyclopaedias that further support their education.

In 2013, about 72.000 Euro were invested in the education of the children of all our employees through scholarships and school packs.

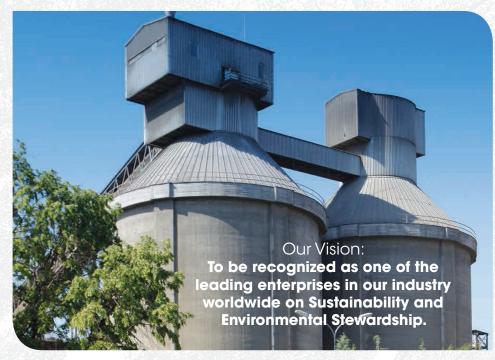
Welfare programs:

- Donations in kind
- Additional severance payment (retirement or disability)
- Financial aid
- Spa treatments
- Vocational guidance for the employees' children
- Christmas parties for employees' children
- Additional vacation bonus
- Salary adjustment according to the cost of living
- Christmas gift vouchers.



TITAN 23

ENVIRONMENT AND CLIMATE CHANGE



As stated in our Environmental Policy, sustainable development is a top Group priority at all times and in all circumstances. Our environmental commitment aims **at doing less harm** by mitigating negative operational impacts and **doing more good** by actively contributing to worthwhile local and international initiatives.

We aim at:

- Complying as a minimum with local, national and international regulations and legislation.
- Continuously improving of our environmental performance, reviewing and monitoring, at top management level, the effectiveness of our programs and actions.
- Assessing the environmental impact at each facility, and taking the necessary measures to protect the biodiversity and natural surroundings.

- Developing, implementing and monitoring programs to use energy and natural resources more efficiently and to reduce our emissions
- Reducing the waste produced by operations, reusing our own byproducts and these of other industries and promoting recycling
- Promoting environmentally responsible attitudes and behaviors in all our employees and encourage suppliers, customers and other business associates to adopt similar practices.
- Contributing to the well-being of local communities, communicating openly and sincerely with them and pursuing good-neighbor relations.
- Supporting and participating in local and international organizations and initiatives designed to protect the environment by sharing knowledge, best practices and with joint actions.

Being aware that USJE operations are heavily dependent on the use of natural resources, we are committed to actions that reduce our operational impact on the environment. Monitoring, measuring, reporting, cooperating, continuously acting and improving is how we address environmental issues.

Through our CSR approach, we aim to address these main environmental issues:

- Climate Change
- Energy and raw materials
- Air and other emissions
- Biodiversity
- Water

USJE continuously strives to address the defined environmental challenges. In this area, we are fully implementing TITAN policies which guarantee sound and transparent environmental management according to the international best practices. In addition, we are regularly conducting audit and re-certification of the Environmental Management Standard ISO 14001:2004.

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Target 2011	Results 2013	Target 2015
A-IPPC Permit	Fully implemented Operational Plan from the A-IPPC Permit	Fully implement the Operational Plan from the A-IPPC Permit
Reduction of CO ₂ emissions	Decrease of 4% in the specific gross CO ₂ emissions per ton of cementitious product, compared to previous year	Continuous reduction of CO ₂ emissions
Dust emissions	8.7 mg/Nm³ for Kiln 3 and 14.9 mg/ Nm³ for Kiln 4 or 8.5 tons/year and 9.8 tons/year, respectively	We are already below the target for dust emissions 30 mg/Nm ³
SOx emissions	33.9 mg/Nm ³ for Kiln 3 and 59.7 mg/Nm ³ for Kiln 4, or a total of 33.3 tons/year and 39.3 tons/ year respectively	We are already below the target for SOx emissions 400 mg/Nm ³
NOx emissions	1036.5 mg/Nm ³ for Kiln 3 and 853.1 mg/Nm ³ for Kiln 4, or total 1017.4 and 561.3 tons/year respectively	Reduce specific NOx emissions to 800 mg/Nm ³
Participation in global and national environmental protection and climate change initiatives	USJE took active participation in development of the Third National Communication on Climate Change, according to UNFCCC - United Nations Framework Convention on Climate Change	Increase the level of participation in global and national environmental protection and climate change initiatives

Monitoring emissions

Monitoring emissions is a pre-condition for controlling and reducing environmental impacts from cement production. In 2004, USJE was the first company in the country to introduce independent continuous monitoring systems operating 24 hours. This enables the company to closely monitor the emissions on real time basis and take action accordingly. At the same time, it gives interested stakeholders regular, updated information on our performance. At our initiative results from the monitoring are presented at USJE's web page as annual and monthly reports containing daily average emission values.

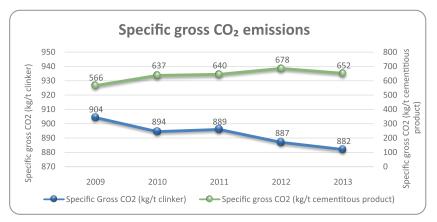
Measuring our CO₂ footprint

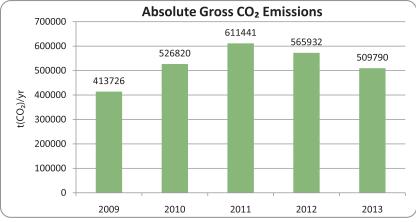
Climate change is considered as the most important environmental challenge of our time. The nature of the cement industry is such that it produces and emits carbon dioxide (CO_2), thus contributing to the greenhouse effect and climate change. Direct CO_2 emissions from the production of cement itself are attributed to:

- Decarbonisation, the process of transforming raw materials (mainly marl) into clinker, the main component of cement;
- Fuel consumption, including both fuels burned in the kilns (heavy oil and pet-coke) and fuels used for internal transportation, driers and boilers (heavy oil and natural gas), produce CO_2 as a result of the chemical reaction between carbon (C) and oxygen (O_2).

Indirect emissions of carbon dioxide are released during the production of electricity required for the production of clinker and cement, as well as during the external transportation of raw materials, fuel and final products.

As part of Titan Group we are following WBCSD/CSI standards for calculation and reporting of CO_2 emissions. In 2013, USJE's total direct CO_2 emissions were 0.5 million tons, which are lower by 10% compared to the previous year, while the specific CO_2 emissions were 652 kg CO_2/t cementituous product which is lower than 2011 by 4%.





Measures for reduction of CO₂ emissions – replacement of fossil fuels with alternative fuels

The reduction of CO_2 emission in the cement industry can be effectively achieved by use of alternative fuels. To this effect, Cementarnica USJE, following the applicable legislation related to environment, in July 2012 has applied for extension of the existing A Integrated Environmental Permit to include the possibility for use of non-hazardous waste fractions only, such as

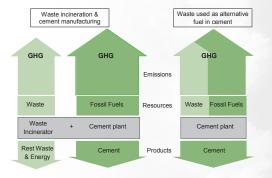
- Biomass
- Non-hazardous waste fractions (textile, packaging waste etc.)
- RDF-fractions of municipal waste that otherwise cannot be used.

The process of preparation of specific fraction of alternative fuels will be made outside Cementarnica USJE, while the ready-made fractions of alternative fuels will be safely transported into the Plant.

Based on our application, the Ministry of Environment and Physical Planning has implemented the complete procedure for extension of the Permit and on May 22nd, 2013 issued Extension of the A-Integrated Environmental Permit whereby all legal requirements for use of alternative fuels in Cementarnica USJE are met.

The extension of the Permit for Cementarnica USJE is verification of our endeavors for environmental protection and minimization of our footprint. In addition to the energy aspects and benefits for Cementarnica USJE, this project provides a very significant added value to environmental protection. More specifically, its practical implementation will ensure:



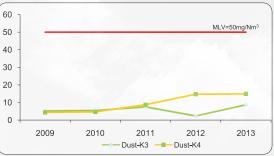


Air emissions

Dust

At cement plants, major dust emission sources are kiln stacks and open surfaces creating fugitive dust from the transportation of materials.

In 2013 specific emissions of dust were 22.7 g/ton clinker for Kiln 3 and 48.1 g/ton clinker for Kiln 4. This is equivalent to



Macedonia.

Reduced use of fossil fuels

in the production process

Contribution towards es-

tablishing a targeted was-

te fraction mana-gement

system in the Republic of

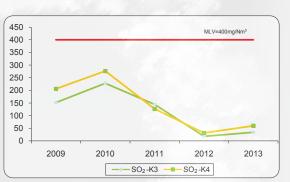
Reduced CO₂ emission



approximately 8.5 tons and 9.8 tons, respectively per year. Dust emissions are many times below the limits (MLV) set by the environmental terms and conditions of both local and EU legal requirements. The average concentration of dust for Kiln 3 is 8.7 mg/Nm³ and for Kiln 4 is 14.9 mg/Nm3. The MLV is 50 mg/Nm3.

SOx

The presence of sulphur (S) in raw materials is the primary cause of SOx emissions. USJE's SOx emissions are substantially below the limits (MLV) set by the applicable local and EU regulations. The average concentration of SOx for Kiln 3 is 33.9 mg/Nm³ and for Kiln 4 is

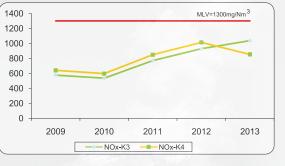


59.7 mg/Nm³, while the MLV is 400 mg/Nm³. In 2013 our activities resulted in specific emissions of approximately 88.9 g/ton clinker for Kiln 3 and 192.9 g/ton clinker for Kiln 4, or a total of 33.3 tons and 39.3 tons SOx, respectively.

NOx

Combustion at high tempe-ratures leads to NOx emission. Scientific studies have indicated that NOx emissions may contribute to acid rain and smog.

In 2013 USJE's specific NOx emissions were 2,719 g/ton



clinker for Kiln 3 and 2,756 g/ton clinker for Kiln 4, or total 1017.4 and 561.3 tons NOx respectively per Kiln. The overall NOx emissions were within the limits (MLV) set by the local and EU legislation. The average concentration of NOx for Kiln 3 is 1036.5 mg/Nm³ for Kiln 3 and 853.1 mg/Nm³ for Kiln 4, while the MLV is 1300 mg/Nm³.

Initiatives for noise minimization

Production of cement, like most other industrial activities, causes noise as a result of the type of equipment employed in the production process, the transport of materials, etc. The measured noise level at the measurement points along the factory and quarries does not exceed the stipulated permissible limits, according to the country law; nonetheless, as a socially responsible company, Cementarnica USJE, in cooperation with the Faculty of Natural and Technical Sciences in Stip, has designed a Study for Noise Reduction in the vicinity of USJE cement plant aiming at further minimization of the noise level. The purpose of the study was to identify the main sources of noise: more than 100 short-term measurements were made within the factory and 24-hour measurement in the adjacent facilities. The study provides a model for noise dispersion, proposes noise control measures as well as three scenarios and technical solutions for noise reduction.

On the basis of this Study, some of proposed measures, including installation of specially designed silencers on the equipment at critical points, have already been implemented and the rest are foreseen in maintenance plan for year 2014-2015.

Earth Hour Initiative

Cementarnica Usje AD Skopje for the sixth year in a row is part of this global action "Earth Day". This year the event is held under the motto "Use your power today, turn off the lights, it's time for planet Earth to shine".

By turning off the cement mills, USJE joined the global action «Earth Hour». The mills of the company remained one hour without electricity supply in the period from 20:30 to 21:30 hours on Saturday, March 29th. In same time, the supporters of this action worldwide switched off the power supply in their homes, organizations, companies and factories.

Cementarnica USJE saved 10 MWh of electricity by shutting the cement mills, which is equal to the monthly electricity consumption of more than 3.000 households in Skopje. Apart from turning off the cement mills, the Company turned off the electricity supply in the other plants as well, where safety measures allow.

STAKEHOLDER ENGAGEMENT

Listening and responding to the concerns of our employees, local communities, customers, shareholders, suppliers and other stakeholders has been a driving force in our efforts at meeting effectively corporate social responsibility challenges.

Respect and support of local communities as well as building a relationship of trust and cooperation is a long-held tradition of USJE beginning over a half a century ago.

Our social policy is directed by the "branching out and adding value" concept and emphasis is given to sharing know-how, experiences and resources in local community projects and initiatives that create added value.

Examples of this practice include local partnership initiatives such as the Partnering with Schools Project, the Program for development of professionals through practical training, support of children with special needs and many other endeavours reflecting our CSR strategy and policy based on our corporate values.

In 2013 USJE continued to contribute to local community projects with financial, human and technical resources. Priority was given to long-term community and business engagement programs amounting to \in 77.000 in total.

Open doors for visits and tour of the plant for wider community

Following TITAN's policy on transparency in operations, USJE continues its endeavours towards developing close relations with the community, thus being and aiming to remain an active member of the society.

Our first Open Day organized in 2011 was positively evaluated by all visitors, with recommendations to become a tradition.

Listening and responding to our stakeholders, USJE since 2011 organizes OPEN DAYS in the plant, every last Thursday of the month, during the whole year, when everyone interested is able to visit us, to learn about our production process and our commitment for its permanent improvement through highest standards of operation.

Within the OPEN DAY visitors have the opportunity to find out more about history and values of USJE and to be a part of an organized tour through the plant where they can see the production facilities and learn everything about our process of cement production.

Respecting our Health & Safety Policy, each Open Day is limited to a maximum of 20 visitors and USJE provides appropriate personal protective equipment for every visitor.

Target 2011	Results 2013	Target 2015
Improve health & safety in the local community	Project - infrastructural activities in 11 schools worth €30.000 in 2013	Continue Partnering with Schools Project. Expand H&S initiatives in the local communities in terms of scope and content. Branch out to other businesses
Provide direct support to the educational prospects of pupils and students in the country	 58 students - children of our employees received scholarships 4 students received MBA scholarships 135 students visited the Plant 16 students were interns in the Company 	Company open-door policy & implementation of the project "Introduction into professions" Continue with scholarships for university & MBA studies for young people in the country
Diversify corporate volunteering activities with at least one new initiative	Participation of our employees in the initiative <i>Food for the street children</i> and <i>Easter Bazaar</i> of Zlatan Sremec School	Increase number of employees engaged in corporate volunteering initiatives Cooperation with Red Cross Macedonia

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Cementarnica USJE commissioned the Water Treatment Facility and communicated the CSR & Sustainability Report

The technological process for producing cement in Cementarnica USJE is dry methodology. This means that water is not consumed during the process of producing cement and also in the water media there are no disposals of any kind form the process. However, in USJE we are making continuous efforts to protect the water as a natural resource. Following our environmental policy, a system for rational usage of waters was established, that includes:

- Water from the city water supplying network is used for sanitary purposes only
- The technical waters (for cooling of the equipment) are filtered and recycled in closed system and
- Sewage waters are separated from the atmospheric waters and discharged in the city sewage network
- Atmospheric waters and street spraying waters from the plant are drained and collected in the open canals.

In 2013 USJE upgraded the existing system and constructed a Water treatment facility that includes a system for rational utilization of waters and allows complete separation of sewage from atmospheric water. Atmospheric waters from the plant and the water used for streets washing are collected and drained through a specially designed system of channels that are attached to the Treatment plant.

In December 2013, USJE officially commissioned its Water Treatment Plant, the first of its kind in Macedonia. At the same event which was organized in the factory yard, the Company CSR and Sustainability Report was communicated and distributed to all present guests and journalists. The new Water Treatment Plant is an investment worth half a million euros and is part of the activities for the implementation of the Operational Plan for harmonization of the A integrated environmental permit. With the implementation of this investment, USJE meets the obligations of the Operating Plan for harmonization of the A integrated environmental permit before the deadline that is in April 2014. This project allows Cementarnica USJE to perform with standards beyond the legal requirements.





More than 90 guests, among which high governmental and municipal officials, Ministry of environment and other important representatives from institutions, local communities, NGO's, business partners and other parties attended the event of official opening of the water treatment plant.





COMMUNITY DEVELOPMENT

Business - Education Cooperation

Education is one of the key priorities of USJE's Corporate Social Policy as part of our commitments to add value for everybody, and most of all, for the young generations.

Cementarnica USJE launches a program for development of professionals through practical training

Cementarnica USJE launched a program for practical training of students from technical high schools of mechanical and electrical vocation located in the City of Skopje. This initiative of Cementarnica USJE was positively recognized and supported by the Ministry of Education and Science and the Center for Vocational Education and Training.



The project includes students from IV year from the high schools "Mihajlo Pupin", "Vlado Tasevski" and "8 Septemvri" who in the next two months, in groups of 15 participants, will undergo practical training in the industry. A team of experts from the company, along with school teacher, are in charge of the implementation of the training and that takes place in the mechanical and electrical workshop and the production facilities of Cementarnica USJE. The main objective of the practical training of the high school students is gaining new technical knowledge and skills by linking theory with practice in the immediate work environment in industrial facilities. - The development of every prosperous society is based on professional young people who have the specialized knowledge, skills and high work ethic. But, the responsibility for creating this staff cannot be left only to the education system and schools. Companies need to take their share of the burden. Through the implementation of this project for practical training we at Cementarnica USJE demonstrate our commitment to accomplishing the mission of creating a broader base of technical staff that is necessary, but unfortunately, is becoming deficient in the Republic of Macedonia, said Boris Hrisafov, CED of Cementarnica USJE AD Skopje, while marking the start of the project.



At the first day of the program, all students must become thoroughly familiarized and learn to apply measures for occupational safety and health to which Cementarnica USJE gives special importance. The training of and acquisition of specialized working knowledge and skills by young people is one of the practices that are implemented in

Cementarnica USJE in different ways for a long time. It is an integral part of the strategy for corporate social responsibility of the company, which is in line with the initiative of the United Nations for Corporate Social Responsibility, which USJE is a member of, the UN Global Compact.



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Introduction to industry and occupations

- About 15 high school students from the Center for children without parents "11 Oktomvri" Skopje at the age of 14 to 18 visited our Plant.
- About 70 children in third grade from "Dimitar Makedonski" Primary School, accompanied by their teachers, were our guests
- About 50 university and high school students from the Faculty of Technology and Metallurgy, the International Balkan University and the Secondary Chemical School visited our Company

Through a tour around the production facilities, they were directly introduced to our production process from the very beginning, namely exploitation of raw materials through the making of cement to its packing and sales. Moreover, they were also familiarized with the control of the quality of our products by visiting our Quality Department.

The students also had the opportunity to meet with the employees and the management team and to get directly acquainted with their job, responsibilities, and everyday activities, which would help in improving their understanding of the occupations and job positions in real life and a real company for easier identification of their potential future professions.





Scholarships for MBA postgraduate studies eighth year in a row

Cementarnica USJE AD Skopje traditionally supports the education by granting scholarships to young graduates aiming to raise the level of education of the young people in the country and to enhance their employability. To this effect, USJE, eighth year in a row, awarded 4 scholarships for postgraduate studies in Management & Business Administration at the Faculty of Economics, within "Ss. Cyril & Methodius" University in Skopje. The selection was made through a public announcement and the graduates with working experience and highest GPA were selected.

"This opportunity will help us strengthen our knowledge and skills that will, in turn, enhance our professional experience", recipients said.

Through this project, during the previous years about 25 students have continued their education with postgraduate studies in MBA both at the Alba Business School in Athens and at the "Ss. Cyril & Methodius" University in Skopje with the scholarships granted by USJE.

USJE on BEST Job Fair and Career Expo

USJE took part in the 9th Job Fair at the Faculty of Electrical Engineering and Information Technology organized by BEST - Board of European Students of Technology in Skopje and the first local "Career Expo 2013" organized by the Youth Council of U.S. Embassy in the Republic of Macedonia.

The aim of these events is to assist the employability of the young educated people and to provide practical experience.

This concept is closely related with our goal to contribute to the development of young engineers in the country by improving their knowledge and practical skills with internships and scholarships to local and international universities. USJE, being Employer of choice, aims at providing opportunity to the students for a direct contact with our people and to learn more about USJE as well as employment opportunities for the future.



Student Internship Programs

Interns from IAESTE International Student Association of Technical Universities

USJE gives opportunities to international students through IAESTE International Student Association of Technical Universities to make 6-week internship in our Plant. This year we had one student from Croatia attending internship in our EDP Department.

Internship of local university students

USJE accepts students from the universities for their mandatory 1-month internship. This year we had 16 students attending internship in various departments, including production, mechanical and electrical maintenance, finance, sales etc.

PARTNERING WITH SCHOOLS PROJECT

As part of our voluntary commitment for support of education and educational process in the country as well as our H&S and environmental commitment and know-how, USJE since 2010 supports the public schools in the Municipality. The project is aimed at continuous improvement of the health & safety and environmental conditions in the public schools and kindergartens in the territory of the Local Municipality where our Company operates as well as at raising the awareness of the children on their own health & safety thus cultivating the health & safety culture in the early stages of education.

Through the project we make efforts to branch out CSR to our suppliers & contractors and through this CSR Project to encourage more businesses that work in our Municipality for community development.

The Project covers eight primary schools, one school for children with special needs and 2 kindergartens with 4 different buildings each in the Municipality of Kisela Voda with 6650 children studying in the schools and 671 employees in the schools covered.

As of the beginning of the project, more than 120.000 euro have been invested in-kind and labor and more than 4.000 hours have been spent by our management and employees and more than 8.000 hours have been spent by our contractor's and suppliers' staff.

SUPPORT TO COMMUNITY GREENING ENDEAVORS

Contribution to environmental protection and raising awareness about the importance of the environmental protection are one of the core values of our Company and essential part of our corporate social responsibility.

Planting roses in the schoolyards

In April, our management and employees together with the pupils and the kindergarten children as well as their teachers plant roses in the schoolyards in the Municipality.



USJE supported the initiative of planting roses in the City of Skopje

The initiative of planting roses in the City of Skopje is launched as a result of a research study that shows that the white rose is one of the best purifier of the ambient air.





Cementarnica USJE AD Skopje joined this action with donation and planting of 5.000 roses in the Municipality of Kisela Voda. The Company's management and more than 100 employees planted 760 white roses in front of the Company and along the access road to Serbia Boulevard.

USJE has its own nursery, for many years now, where a large number of different seedlings and flowers are being produced and used for planting of the areas within our Plant, but also in the schools, kindergartens and other public areas in the Municipality of Kisela Voda. Last year, we produced and planted more than 26.000 seedlings and flowers.



USJE once more took part in "Tree Day - Plant Your Future" Action

On November 27th, 2013 USJE joined the "Tree Day - Plant Your Future" action for the 11th time.

About fifty of our employees along with the management team, through this volunteering action, planted trees at a location near the village of Mrshevci, Skopje.





COOPERATION WITH NGO'S

USJE supported the national campaign "Macedonia without Waste 2013" for the second time

On October 5th, 2013, the second national campaign "Macedonia without waste 2013" took place in almost all municipalities throughout the country. The goal of the campaign is to encourage civil activism and voluntarism as well as to raise awareness and habits of the citizens for proper waste management. The main emphasis is placed on collection and proper disposal of waste on certain locations. The action is part of the national campaign that consists of activities for waste disposal, education and promotion. With this campaign, Macedonian citizens joined the global action "Let's do it! World 2013" that is officially supported by the European Parliament and this year will be ongoing in 107 countries.

USJE supported this action by providing to the organizers, Ajde Makedonija NGO and the Municipality of Kisela Voda mobile equipment needed for collection, loading and disposal of the waste, informational posters about the action, sandwiches and water for 220 participants as well as transport and other services.



SUPPORT TO VULNERABLE GROUPS

Summer Educational and Sports Camp for the children with impaired hearing

As a result of its long-term commitment to supporting educational projects and being socially responsible company, USJE supported again the Summer Educational and Sports Camp for 22 children with impaired hearing from the Partenie Zografski Education and Rehabilitation Center.

"This camp allows the children with impaired hearing to have fun, and to play sports, as well as to socialize and gain additional education during the summer" Milisav Jovanovski, Teacher at the Partenie Zografski, Education and Rehabilitation Centre, says.

Within the summer educational camp, the children with impaired hearing have an opportunity to spend time together and to improve their communication skills. At the same time, through education, they create moral values and manners.

Donation to Civil Association for construction of day-care centre for children with special needs in the Municipality

USJE supported the initiative of the Civil Association for children with special needs, DAMA-EL from Skopje, and the Council of the Municipality of Kisela Voda with donation of materials to this NGO for building a day-care centre for children with special needs in the territory of the Municipality. In addition, 100 New Year packages for these children with special needs from Kisela Voda were donated at the New Year's party held in the Municipality.

CORPORATE VOLUNTEERING

USJE employees volunteered in the Food for the Street Children Donation Initiative

On April 12th, 2013, the International Day for Street Children, USJE employees voluntarily joined the Caravan for donation of food to the children on street as part of the Campaign "Louder Together - Let's Donate Food To the Street Children" organized by several non-governmental organizations.



A large number of packages

with food were collected by our employees for the street children, who as the organizers say need to enjoy the same rights as any other children.

This activity is part of the global Campaign "Louder Together" and it is aimed at raising the awareness on ensuring children's rights.

There are more than 10 million children living on the streets all around the world and they all lack the most basic things – food and shelter. USJE employees with this human gesture want to support these children in having their basic needs fulfilled.

USJE took part in the Easter Bazaar of Zlatan Sremec School

The special school, Dr. Zlatan Sremec, organized a fundraising Easter Bazaar. During the event, previously donated baked goods, decorations, greeting cards, jewelry, souvenirs and other items were sold. The funds raised from the sale, in agreement with the Parents' Council of the school, will be used for students' needs and supplying materials for workshops.

This fundraising action was fully supported by our employees that showed great interest in attending the event. About 15 employees devoted their own resources to buy souvenirs made from the creative hands of the children and parents.



UN Global Compact Network participation.

USJE remains active member of the leadership of the Global Compact Network

The Global Compact is the largest voluntary initiative for social responsibility of companies around the world and it derived from the United Nations. This agreement is based on the ten principles that incorporate the areas of human rights, non-abuse of child labor, environment and fight against corruption. Companies-members of the UN Global Compact accept these principles and apply them in their daily operations and thus comprise the driving force of global development, through concrete contribution for the development of the community they work in. The UN Global Compact is the largest global voluntary social responsibility initiative, with over 8700 members in 130 countries worldwide. Titan Group, the mother Company of USJE is a member of the UN Global Compact since 2002.

The Global Compact Network Macedonia was established in 2004. USJE joined the Network in 2008

Target 2011	Results 2013	Target 2015
Actively engage in the Global Compact Network Macedonia	USJE actively participates & represents the LN as socially respon- sible company in the country and at international level, among which: - Active participation in the UNGC Local Network Working Group for Cooperation with Universities	Actively build and strengthen the leadership of the Global Com- pact Network Macedonia
Support the implementation of the initiatives under the Global Compact Network Macedonia	USJE actively supported the Global Compact Network, including: - Presentation & dissemination of Company's CSR principles	Support the implementation of the initiatives under the Global Compact Network Macedonia
Promote CSR concept and UNGC principles in the public	Dissemination of the human rights related principles among our employees, including training on the law against harassment at the workplace	Actively engage in activities for broader and better understand- ing of the context and the application of the ten universal UNGC principles in the local context

UN Global Compact Initiative & GRI Disclosures

By joining the UN Global Compact in December 2008, USJE embraced at TITAN Group, the mother the local country level the ten principles of good corporate management, Global Compact since 2002. which are the foundation of this Compact.

TITAN Group, the mother Company of USJE, is a member or the UN Global Compact since 2002.

Global Compact Principles	GRI reference	USJE reference (Sections in this Report)
Principle 1 Businesses should support and respect the protection of internationally proclaimed human rights	HR1, HR2, HR3, HR4	Health & Safety Our People
Principle 2 Businesses should make sure that they are not complicit in human rights abuses	HR2, HR3	Our People
Principle 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	HR5, LA3, LA4	Our People
Principle 4Businesses should uphold the elimination of all forms of forced and compulsory labor	HR7	Our People
Principle 5 Businesses should uphold the effective abolition of child labor	HR6	Our People
Principle 6 Businesses should uphold the elimination of discrimination in respect of employment and occupation	HR4,LA10, LA11	Our People
Principle 7 Businesses should support a precautionary approach to environmental challenges	EN1 - EN30	Our Footprint Environment & Climate Change
Principle 8Businesses should undertake initiatives to promote greater environmental responsibility	EN1 - EN30	Our Footprint Environment & Climate Change
Principle 9 Businesses should encourage the development and diffusion of environmentally friendly technologies	EN1 - EN30	Our Footprint Environment & Climate Change
Principle 10 Businesses should work against all forms of corruption, including extortion and bribery	SO2, SO3	TITAN Group Overview CSR & Corporate Governance







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